

**Daviess County, Indiana**  
**2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Daviess County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Daviess County has no cross-county units.

Daviess has one conservancy district, Prairie Creek Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$2.9 million or 9.76%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Washington Community School (\$1,068,299), the North Daviess County School Corp (\$595,873), and the County unit (\$579,685).

Daviess County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Health	\$158,948	\$139,428	-\$19,520	-12.28%
Children's Psychiatric Res Treatment	66,140	54,609	-11,531	-17.43%
Aviation/ Airport	78,941	113,866	34,925	44.24%

Daviess County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$698,733	\$1,109,613	\$410,880	58.80%

Total County levy increased by \$579,685 or 6.34%. Existing cash balances used in Welfare F&C for 2007.

Barr-Reeve Community School Corp

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,433,438	\$1,628,058	\$194,620	13.58%
Debt Service	423,097	482,017	58,920	13.93%
Capital Projects	605,691	683,774	78,083	12.89%

Total School levy increased \$365,533 or 11.98%. Capital projects levied up to the max amount in 2008.

North Daviess County School Corp.

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,962,329	\$2,297,317	\$334,988	17.07%
Capital Projects	807,425	976,895	169,470	20.99%
Bus Replacement	-0-	74,414	74,414	-%

Total School levy increase of \$595,873 or 12.78%. Capital projects levied up to the max amount in 2008. Bus replacement used for pension neutralization for 2007.

Washington Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,081,534	\$3,402,850	\$321,316	10.43%
Debt Service	1,501,720	2,016,652	514,932	34.29%
Bus Replacement	77,566	29,177	-48,389	-62.38%

Total School levy increase of \$1,068,299 or 14.28%. Bus replacement reduced for pension neutralization in 2008. Debt service increased due to increased debt payments in 2008 for lease approved in 2006.

Veale Fire District

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Equipment Debt	\$-0-	\$35,244	\$35,244	-%

Total Fire District levy increase of \$34,432 or 157.58%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

## Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	13.49%
Industrial	-6.80%
Commercial	32.48%
Residential	0.22%
Exempt	5.75%
Utility	22.06%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	33.01%	34.77%
Industrial	4.02%	3.48%
Commercial	10.45%	12.84%
Residential	51.11%	47.53%
Exempt	1.41%	1.39%
Utility	0.00%	0.00%

As can be seen from the analysis, a shift from residential, industrial, and exempt property to agricultural and commercial property occurred. This shift was approximately 4.14%.

## Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BARR TOWNSHIP	7.25%	9.07%	1.69%	2.82%	4.31%	-7.82%
CANNELBURG TOWN	-5.27%	-2.97%	2.43%	3.57%	5.18%	-8.51%
MONTGOMERY TOWN	-1.81%	0.98%	2.85%	3.93%	5.64%	-8.78%
BOGARD TOWNSHIP	8.17%	8.10%	-0.07%	0.81%	1.90%	-9.90%
ELMORE TOWNSHIP	9.50%	9.30%	-0.18%	0.66%	1.73%	-9.93%
ELNORA TOWN	-1.00%	0.74%	1.75%	2.66%	4.03%	-10.37%
HARRISON TOWNSHIP	10.38%	12.70%	2.10%	3.59%	5.42%	-5.61%

MADISON TOWNSHIP	7.36%	7.30%	-0.06%	0.79%	1.89%	-9.98%
ODON TOWN	1.04%	1.92%	0.87%	1.69%	3.00%	-10.62%
REEVE TOWNSHIP	11.64%	13.24%	1.43%	2.45%	4.12%	-8.73%
ALFORDSVILLE TOWN	-7.61%	-3.27%	4.69%	6.10%	7.76%	-7.10%
STEELE TOWNSHIP	34.30%	34.41%	0.08%	0.97%	2.18%	-9.48%
PLAINVILLE TOWN	4.35%	5.16%	0.78%	1.55%	3.06%	-10.80%
VAN BUREN TOWNSHIP	12.60%	12.51%	-0.08%	0.79%	1.87%	-9.85%
VEALE TOWNSHIP	1.27%	6.56%	5.23%	7.24%	9.30%	-0.93%
WASHINGTON TOWNSHIP	17.77%	20.18%	2.04%	3.56%	5.22%	-5.16%
WASHINGTON CITY	3.13%	4.59%	1.41%	2.24%	4.30%	-9.65%
Average	8.92%	9.60%	1.57%	2.64%	4.14%	-8.56%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies.

### Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	12.6%	12.8%	48.3%	11.9%	10.3%	4.0%
Industrial	20.0%	10.9%	49.1%	10.9%	5.5%	3.6%
Residential	35.5%	24.9%	27.6%	4.0%	7.7%	0.3%
Overall	25.4%	15.4%	25.6%	25.1%	8.2%	0.4%

### TIF Neutralization Worksheets

The County has Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were not reviewed for numerical accuracy but for logical analysis and completeness.